



Sonoma County Planning Commission

STAFF REPORT

FILE: ORD18-0006
DATE: August 30, 2018
TIME: 1:05 p.m.
STAFF: Jane Riley & Nina Bellucci, Project Planners

**Board of Supervisors Hearing will be
held at a later date and will be noticed
at that time.**

SUMMARY

Applicant:	County of Sonoma
Location:	Countywide, excluding coastal zone
APNs:	Various
Supervisory District No.:	All
Subject:	Zoning Code Changes to Facilitate Housing Development
PROPOSAL:	Amend Sonoma County Code Chapter 26 (Zoning) to expand opportunities for housing by adopting allowances for new housing types, simplifying development standards, and better preserving existing rental housing and mobile home parks.
Environmental Determination:	Negative Declaration
General Plan:	General Plan Housing Element
Ord. Reference:	Multiple – see Table 1 on page four
Zoning:	Multiple urban zoning designations; see Table 1
RECOMMENDATION:	Adopt a resolution recommending that the Board of Supervisors adopt the Negative Declaration and proposed ordinance.

INTRODUCTION AND BACKGROUND

The number of available rental housing units in Sonoma County has reached a critical shortage following the Sonoma Complex Fires. The county as a whole lost 5,130 housing units, with 2,100 housing units lost in the unincorporated county alone. The rental vacancy rate stood at a low 1.5 percent before the



fires—far below the five percent vacancy rate considered a healthy rental market. According to the California Housing Partnership¹, Sonoma County’s lower-income renters spend an average of 68 percent of their income on rent and utilities. By contrast, the standard for housing affordability established by the US Department of Housing and Urban Development provides that households should spend no more than 30 percent of annual income on rent. This factor leaves very little money left for food, transportation, health expenses, and other needs. Many families are a single unexpected event away from homelessness.

Even before the October 2017 complex fires, the Board of Supervisors had made housing a priority and directed staff to bring forward legislation and implement administrative policies to increase the County’s affordable housing stock through the [Housing for All Strategic Priority](#), the [Building HOMES Toolbox](#), and the [General Plan Housing Element](#). However, since the fires, the County now faces an acute housing shortage that requires new solutions and actions. To that end, the Board of Supervisors adopted multiple urgency ordinances to provide for emergency and interim housing solutions, and on 07 May 2018, the Board approved the following zoning code changes intended to reduce constraints to developing housing. These changes:

1. Increased the maximum size of accessory dwelling units to 1,200 square feet;
2. Increased the allowable residential floor area in mixed-use projects from 50 percent to 80 percent;
3. Delayed collection of fees until near occupancy;
4. Allowed small single room occupancy (SRO) projects as a permitted use and removed the existing 30-room limit for larger SRO projects; and
5. Allowed transitional and supportive housing in all zoning districts that allow single-family dwellings.

As of December of 2017, the unincorporated County’s Regional Housing Need Allocation (RHNA) of 936 units for the eight-year period between 2015 and 2023 had largely been met, but lower-income housing still falls short. Unincorporated Sonoma County still needs to provide 32 units at the extremely low-income level, 48 units at the very low-income level, and four units at the moderate-income level by the end of this planning period. However, the RHNA is only a regulatory minimum. Many more housing units are needed to achieve parity.

CURRENT PROPOSAL

This set of proposed code amendments address a number of the County’s objectives, including updating land use regulations, enacting code amendments for workforce housing, authorizing a new housing type, and focusing new housing development within urban service areas. Changes proposed as part of this package will:

- Simplify development standards for multi-family housing projects;
- Encourage higher density development within Urban Service Areas near jobs and transit, as provided in the General Plan, through provision of a new Workforce Housing Combining Zone;
- Establish a new housing type, Cottage Housing Developments, in Urban Service Areas;

¹ Sonoma County Renters in Crisis: A Call for Action (May 2017). Available at: <https://chpc.net/resources/sonoma-county-housing-need-2017/sonoma-county-2017/>

- Allow use of a new density unit equivalent concept to encourage more, smaller rental units discourage larger units; and
- Codify existing condominium conversion policy and better protections for residents in rental mobile home parks.

ENVIRONMENTAL REVIEW

An Initial Study prepared for this package of code amendments concluded that the proposal will not have a significant effect on the environment. Accordingly, staff adoption of the proposed Negative Declaration.

PROCESS AND TIMELINE

The proposed housing code changes have been duly noticed, including an email notice sent to interest groups, builders groups, housing advocacy groups, and members of the public who requested notification. Staff held a meeting on 27 June 2018 with local developers to collect input on changes that were necessary to facilitate housing development. Staff also held a public workshop on 11 July, and collected input from attendees on each of the topical areas presented in this staff report. Newspaper notice was also been provided in the Press Democrat. At the conclusion of the Planning Commission's public hearing and deliberations, the Commission's recommendation will be forwarded to the Board of Supervisors for its consideration.

EXECUTIVE SUMMARY

Permit Sonoma is introducing several initiatives designed to provide more opportunities and better certainty to housing developers to reduce risk and increase investment. The proposed changes would only apply within adopted Urban Service Areas (see Figure 1, below) where sewer is available, and will further the County's General Plan focus on city- and community-centered growth. None of the changes will apply within the Coastal Zone.

Prior code amendments, adopted 08 May 2018, made changes to reduce constraints to housing development including accessory dwelling units, mixed-use projects, single-room occupancy projects, and transitional and supportive housing projects. Staff will bring additional initiatives forward to rezone sites for housing and to allow and encourage new types of housing. Additionally, Specific Plans that are currently underway, for the Airport SMART station area and the Sonoma Springs area, may increase allowable residential densities near employment and transit.

In order to meet the direction provided by the Board of Supervisors in its adoption of the Building HOMES Toolbox, and further implement the General Plan Housing Element and the Board's Housing for All strategic priority, these proposed code amendments will introduce new housing types and simplified regulatory mechanisms to expand opportunities for housing production. Although multi-family rental units provide the highest level of affordability and density, the County has limited urban land with sewer infrastructure and near transit. These changes allow new types of housing that can blend in with existing neighborhoods. Workforce Housing Combining Zone is proposed to allow more efficient use of that limited supply of urban land for housing near jobs and transit. This staff report provides an overview of the proposed code changes.

Table 1: Proposed Housing Code Changes (Phase Two)

Description of Proposed Change	Basis for Change	Proposed Changes to Sonoma County Code Chapter 26 (Zoning)
Simplify Multi-family Development Standards and adopt density units	Building HOMES Toolbox; Housing for All Strategic Priority	Articles 59 (Affordable Housing Combining District) and 24 (High Density Residential)
Adopt a WH (Workforce Housing) Combining Zone	Building HOMES Toolbox; Housing for All Strategic Priority	Articles 02 (Definitions) and 75 (Workforce Housing Combining District), which could be requested for application to parcels in LC (limited commercial) and industrial zones in urban service areas
Adopt Provisions for Cottage Housing Developments	Building HOMES; Housing Element implementation	Article 88 (General Use Regulations) adding Section 230; and Articles 20 (Low Density Urban Residential) and 22 (Medium Density Urban Residential)
Adopt a Condominium Conversion Ordinance	Housing Element implementation	Article 88 (General Use Regulations) at Section 193
Protect Mobile Home Parks from Closure or Change of Use	Housing Element implementation	Article 92 (Cessation or Closure of Mobile Home Park)

[illegible]

ANALYSIS AND POLICY OPTIONS

SIMPLIFICATION OF MULTI-FAMILY DEVELOPMENT STANDARDS

The proposed code changes would simplify current multi-family development standards, where different standards can apply within the same zone district depending on the type of project. The proposed changes would use a single, simplified set of development standards for multi-family projects within any urban zoning district in which multi-family housing is allowed. The amendments involve changes to the Medium Density Residential (R2) zoning district (*Ordinance Exhibit C*), High Density Residential (R3) zoning district (*Ordinance Exhibit D*), and Affordable Housing (AH) Combining District (*Ordinance Exhibit E*), referring all multi-family development types to the R3 development standards.

The development standards for multifamily development projects have also been updated to require storm water management using low-impact development guidelines, and include additional design standards to address potential lighting impacts, include water conservation plans and water efficient landscaping, and to clarify that vacation rental, timeshare, and transient rental occupancies are not allowed.

DENSITY UNIT EQUIVALENTS

Staff is also introducing the density unit equivalent model with this set of code amendments. The General Plan density designation for urban multi-family land uses is calculated by the number of dwelling units allowed per acre. Without the use of density unit equivalents, this traditional density allowance is the same regardless of the size of the unit—i.e., a project is allowed the same number of units whether made up of studio apartments or four-bedroom apartments. This framework incentivizes larger units because they count toward density in the same manner as smaller units, but are more profitable.

Density unit equivalents allow small units (micro-apartments and one- and two-bedroom units) to count as a fraction of a unit, and large units (four or more bedrooms) to count as more than one unit. This would encourage the development of more, smaller units, and discourage large units. For example, the provision of three micro-apartments would be considered equal to the provision of one three-bedroom unit in terms of the assigned density units (see Table 2: Proposed Density Unit Equivalent, below).

Table 2: Proposed Density Unit Equivalent

Dwelling Unit Size	Density Units
Micro-apartment or studio (<500 sf)	0.33 density unit
One bedroom (<750 sf)	0.50 density unit
Two bedrooms (<1,000 sf)	0.75 density unit
Three bedroom	1.00 density unit
Four or more bedrooms	1.50 density units

A density bonus, if provided, would be applied to the mapped General Plan base density. Developers would then be able to provide the number of density units in any combination. For example, consider a one-acre parcel with a base density of 10 units per acre. To meet the 10-unit count, a project could consist of 10 three-bedroom units, 15 one-bedroom units, or 30 micro-apartments.

Density units for a development with mixed unit sizes would be calculated in the same way; see Table 3 below.

Table 3: Example Scenario Using Density Units

Unit Size	Density Unit Equivalent Ratio	Number of Units Provided	Number of Units Counting Toward General Plan Density
Micro-apartment or studio (< 500 sf)	0.33	6	2
One bedroom (<750 sf)	0.50	4	2
Two bedrooms (<1,000 sf)	0.75	0	0
Three bedroom	1.00	3	3
Four or more bedrooms	1.50	2	3
Totals	-	15	10

Density units allow more, smaller units in the same building mass and scale as a building containing a smaller number of large units (see Figure 2, below), and they more closely reflect the actual numbers of occupants of these types of units. The California Department of Fair Employment and Housing assumes two persons per bedroom plus one (two-plus-one) to be the assumed maximum standard for determining occupancy. Two-plus-one is also used by the County of Sonoma and the US Department of Housing and Urban Development to determine rent limits for affordable housing projects. However, assuming two-plus-one assumes occupancy much higher than reality. According to the American Community Survey, approximately 90 percent of rental housing units in Sonoma County are occupied by .71 person per room or less (where a room is all living spaces except bathrooms and hallway space; see discussion below).

Using the two-plus-one occupancy assumption, a one-bedroom unit could be occupied by three people. However, because actual occupancy rates indicate that the vast majority of units are occupied by one person or less per room, the unit is far more likely to be occupied by two people. Table 4 below illustrates the difference between assumed and actual occupancy of each size unit, and shows that the use of density units is likely to result in lower numbers of people in a development than a typical development with the same General Plan density, without using the density unit equivalent.

Figure 2 – Micro Apartment Size Comparison



Source: Urban Land Institute "Side-by-side units"

Table 4: Assumed Maximum Occupancy vs. Actual Occupancy

Unit Size	Number of Bedrooms	Assumed Maximum Occupants per Unit (two people per bedroom, plus one)	Average Number of Total Rooms* (Assessor's Office data)	Actual Average Occupancy (average of 0.71 persons per room per ACS)**
Micro-apartment or studio (< 500 sf)	0	1-2 people	1.00	1
One bedroom (<750 sf)	1	3 people	2.70	2
Two bedrooms (<1,000 sf)	2	5 people	4.10	3
Three bedroom	3	7 people	5.50	4
Four or more bedrooms	4	9 people	7.60	6
*“Total rooms” include bedrooms, living rooms, kitchen, office/den/spare rooms but exclude bathrooms and hallways.				
** Assumes 0.71 persons per room based on American Community Survey data for Sonoma County showing that 90% of housing units are occupied at this rate or lower. Actual occupancy averages are rounded up to the next whole person.				

Using density unit equivalents, smaller units would be encouraged, and more units could be provided in the same physical space and with generally the same number of residents and vehicles as would be found in a traditional apartment complex.

Policy Options

Option 1: Adopt the Density Unit Equivalent table shown in Table 2 above. Density unit calculations would be used for all multi-family developments, which are only allowed within designated Urban Service Areas. This option would encourage smaller units and allow a larger number of rental units within the same building scale and mass as small units are utilized.

Option 2: Adopt the Density Unit Equivalent concept for micro-apartments only. This option would apply a fractional unit density of 0.33 for each micro-apartment, and apply a density of one to all other unit sizes. This option would encourage smaller units but may not adequately offset the average occupancies of larger units, and may not create enough of an incentive without increasing the density unit equivalent of larger units.

Option 3: Do not adopt the Density Unit Equivalent table shown in Table 2 above. This option would keep the current density limits and would not encourage smaller units while providing flexibility in design. This option would ensure that Sonoma County be referred to as Marin North.

Recommendation

Option 1: Adopt the Density Unit Equivalent because it would best reflect actual occupancies in rental units and would provide the most incentive to build smaller units without sacrificing neighborhood compatibility.

WORKFORCE HOUSING COMBINING ZONE

Housing for the County's workforce has been identified in General Plan policies as a critical factor to sustain economic development as well as to reduce commute times and greenhouse gas emissions. It is vital to the economic success of Sonoma County to ensure that local teachers, health care workers, police officers, firefighters, hospitality workers, construction workers, and many other essential employment sectors have affordable housing near transit, shopping, and jobs.

In order to encourage housing near employment and transit, it is essential to identify more sites with densities that provide adequate housing for the County's workforce. Designating some commercial and industrial sites with a combining or overlay zone that allows for residential development is a way to develop housing close to job or transit centers. A Workforce Housing (WH) Combining Zone is proposed to allow housing as a land use option in commercial and light industrial areas where urban services, jobs, and transit are available. The combining zone would be available for specific parcels by application; it would not be automatically available. Landowners could request a rezone to add this designation, increasing the options for development of their sites. It is important to note that these changes will apply in Urban Service Areas only, where sewer service is available, and will continue the County's General Plan focus on city- and community-centered growth.

While the definition of workforce housing varies among jurisdictions, Government Code Section 62250 defines affordable workforce housing as housing that is affordable to households earning up to 120 percent of the Area Median Income (AMI). In Sonoma County, this translates to \$47,580 to \$90,650 for a three-person household, as shown in Table 5 below. In addition to filling the need for housing close to jobs to directly benefit the local workforce, this type of housing can fill an increasing need for homes for new workers in Sonoma County that are making median income but remain priced out of the local housing market.

Table 5: 2017 Sonoma County Income Limits

Persons in Household	Low Income (60% AMI)	Low Income (80% AMI)	Median Income (100% AMI)	Moderate Income (120% AMI)
1	37,020	49,350	58,750	70,500
2	42,300	56,400	67,100	80,550
3	47,580	63,450	75,500	90,650
4	52,860	70,500	83,900	100,700

Source: Sonoma County Community Development Commission, 2017

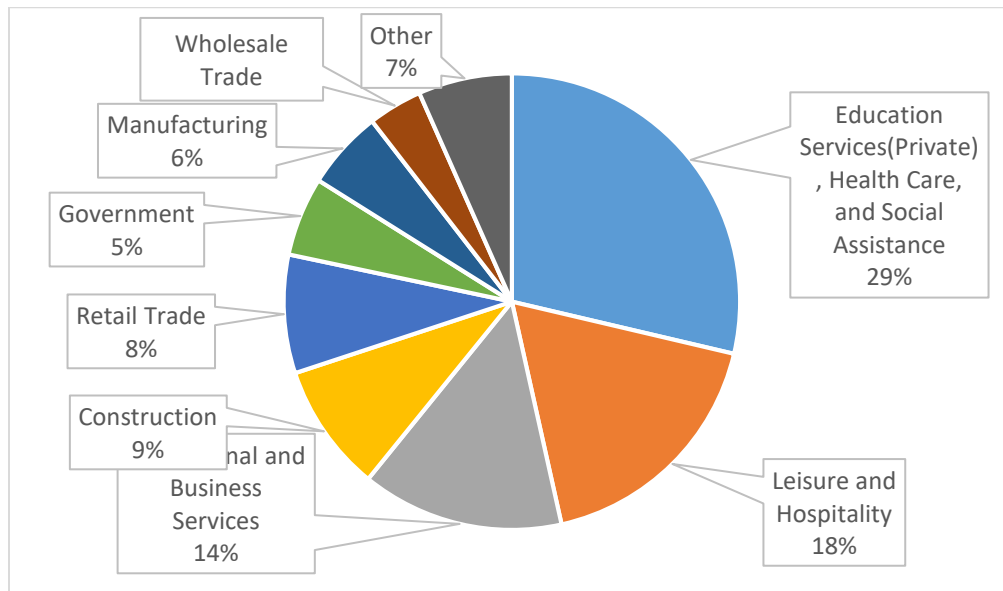
According to the State of California Employment Development Department as shown in Figure 3, below, nonfarm employment in Sonoma County is projected to grow by 28,600 jobs by 2024. The Employment Development Department expects 70 percent of the total job growth to be concentrated in the sectors described below.

- The educational services (private) and health care industry are projected to be the fastest growing industry (26.3 percent) and is expected to add the most jobs (8,200).
- Leisure and hospitality is projected to add 5,100 jobs, with the majority of the growth in the visitor accommodation industry and food services.

- Professional and business services is forecasted to add 4,100 jobs with a growth rate of 20.4 percent over the projection period.

With an expanding local workforce, it is essential that additional housing be placed near jobs and transit to accommodate and attract the additional employees that will be needed.

Figure 3: Projected Job Growth in Sonoma County by Industry Sector



Source: Permit Sonoma, 2017

Projects meeting affordable housing program requirements on-site would be subject to design review, while projects not meeting those requirements on-site would be subject to design review and a use permit to ensure neighborhood compatibility. The proposed Workforce Housing Combining Zone ordinance is included in *Exhibit F*.

APPLICABILITY – WHERE SHOULD WORKFORCE HOUSING BE ALLOWED?

Applying the WH Combining Zone in urban commercial and urban industrial areas could significantly help the housing crisis by creating additional housing opportunity sites near jobs and transit, but could also create conflicts with incompatible land uses. One of the factors to consider in developing a combining zone is the uses allowed in the underlying base zones with which the combining zone can be combined. The permitted uses in the underlying base zone should primarily include uses that would otherwise be compatible with higher-density residential development. Staff is not proposing to rezone any parcels at this time, but the combining zone could be applied in the future as a County-initiated project, as part of a Specific Plan, or on a case-by-case basis. The combining zone could not be applied if it is not consistent with any underlying specific or area plan.

Policy Options

Option 1: Allow the WH Combining Zone to be applied to commercial zones within urban service areas that provide primarily retail and service uses including Limited Commercial (LC), and Retail Business and Service District (C2). The Limited Commercial Zoning District includes many different retail and service uses located generally along major arterials. Retail Business and Services (C2) is comprised of commercial centers serving the broader community. This option would preserve heavy commercial and industrial-zoned land, allowing additional housing near commercial services but not near employment in industrial areas.

Option 2: Allow the WH Combining Zone to be applied to the heavy commercial zones (General Commercial C3), subject to the granting of a use permit. General commercial zoning allows wholesale and heavy commercial uses including car and truck sales, rentals and repair, gas stations, tire sales, warehousing, including mini-storage, cabinet shops, equipment rental, and storage yards. This option would provide housing near jobs for workers in those sectors, but housing adjacent to or on the same parcel as those may not be compatible in terms of noise, the presence of hazardous materials, dust, and walkability, as those uses tend to be on large parcels and automobile-serving, not neighborhood-serving, uses. In addition, the incompatibility of these uses would make it difficult to site future heavy commercial or industrial uses requiring environmental review near housing, because the effect of those new uses on existing housing would be difficult to mitigate.

Option 3: Allow the WH Combining Zone to be applied to properties in the Limited Industrial (M1), Industrial Park (MP) and Public Facilities (PF) zoning districts. The industrial zones allow primarily warehousing, light manufacturing/assembly, food processing, laboratories, offices, hotels and health clubs. The Public Facilities zone allows offices, equipment storage, fire stations, and other utility uses. In terms of noise, intensity, and scale/walkability, these uses are likely to be compatible with residential uses.

Option 4: Allow the WH Combining Zone to be applied to properties in the Limited Rural Industrial (M3) Zoning District. The M3 zone has nearly identical permitted uses to the M1 zone except that it typically provides industrial development outside of designated urban service areas; however, there are 53 parcels located inside urban service areas that are zoned M3. This option would provide housing opportunities for the 53 parcels located inside the Urban Service Area.

Recommendation

Options 1, 3, and 4: Allow the WH Combining Zone to be combined with commercial and light industrial zones within urban service areas, including Limited Commercial (LC), Retail Business and Service District (C2), Limited Industrial Districts (M1), Industrial Park District (MP), and Public Facilities (PF) zoning districts, and in the Limited Rural Industrial District (M3) when located inside of an urban service area. This option would allow the WH Combining Zone to be applied to the largest number of properties with compatible uses, which will provide the greatest opportunity to develop additional housing on appropriate sites near jobs and transit. Staff is not recommending Option 2 because surrounding heavy industrial uses may not be compatible with residential uses.

PROXIMITY TO EMPLOYMENT CENTER OR TRANSIT

Ideally, workforce housing would be located within walking distance to employment or transit centers. For transit-oriented developments, walking distance is generally considered to be 2,500 to 3,000 feet taking 8-10 minutes. For the purposes of applying the WH Combining Zone, an employment node must be within an urban service area, within a walkable distance (2,500 to 3,000 feet) of the workforce housing units, and include land with sufficient employment densities for the workforce. Transit centers can be a rail station or a bus stop with 60-minute headways during peak hours. The policy options included below are consistent with the assumed employment densities of 22 jobs per acre in limited industrial zones and 71 jobs per acre in retail and office zones that were included in the report that informed the adoption of the workforce housing fee.

Policy Options

Option 1: Require a maximum distance from employment center or transit of 3,000 feet. This option would set a maximum distance that is still close enough to walk, bike, or take transit to work.

Option 2: Define employment nodes as a minimum area of three acres of contiguous commercially zoned land or 10 acres of contiguous industrial-zoned land or combination thereof providing an equivalent ratio. This option would provide flexibility in location while ensuring that housing is near employment centers.

Option 3: Require that the employment node be on the same parcel as the workforce housing or adjacent to workforce housing. This option would ensure that housing is near a source of employment but may not encourage enough units. This option would strictly limit the number of housing sites that could be considered for the combining zone.

Recommendation

Options 1 and 2: Apply the WH Combining Zone to properties within an Urban Service Area that are also within 3,000 feet of a transit center or an employment node with at least three acres of commercial zoning or 10 acres of industrial zoning (or equivalent ratio). This option would provide a large degree of flexibility in applying this combining zone to the largest number of potential sites while still providing proximity to allow employees to walk, bike, or take transit to work.

SIZE OF WORKFORCE HOUSING UNITS

Workforce housing should provide a range of unit sizes to meet the needs of a diverse workforce. Single-person households as well as households with families should be able to take advantage of the ideal location that workforce housing can provide. Members of the workforce with incomes too high to qualify for affordable units and who may be priced out of a tight housing market should be able to benefit from workforce housing. Smaller unit sizes will provide lower relative rents. Requiring some micro-apartments in the WH Combining Zone will provide access to housing for small households near employment or transit centers and can provide more units in the same building space. A range of smaller unit sizes can also be incentivized by applying a fractional density unit to the smaller units as proposed for the R3 (High Density Residential) zoning district, indicated in Table 2 above, Proposed Density Unit Equivalents. Regardless of the mix of unit sizes, all workforce housing projects would be subject to the affordable housing program requirement to set aside 15 percent of units as affordable.

Policy Options

Option 1: Incentivize smaller units by calculating the permitted residential density based on the proposed density unit table for the R3 (High Density Residential) zoning district.

Option 2: Require that 15 percent of total units are small micro-apartments (less than 500 square feet). This would provide a wide range of household sizes to meet the needs of a diverse workforce.

Option 3: Set a maximum unit size at to ensure smaller units and efficient utilization of land and building mass.

Option 4: Do not limit unit sizes. This option would provide maximum flexibility and incentives for developers, but may not yield units small enough to be affordable-by-design to the majority of the County's workforce.

Recommendation

Options 1 and 2: Incentivize smaller units with density units, and require 15 percent to be small micro-apartments. This option would provide a wide range of unit sizes to meet the needs of a diverse workforce.

ALLOWABLE DENSITY FOR WORKFORCE HOUSING PROJECTS

Maximum residential densities or density ranges are established in the General Plan Land Use Element. Both minimum and maximum residential densities are required by state law in zoning to ensure that the available supply of urban land is fully utilized. Minimum residential densities are currently set at the mapped density of the zoning district. In order to encourage the production of workforce housing, it is essential that the allowable density encourage efficient use of urban land at densities that will support transit-oriented development and walkable communities.

Increasing housing density is consistent with the Building HOMES Toolbox and the Board's Housing for All Strategic Priority. Locating that housing near jobs and transit is consistent with the city- and community-centered growth principles set forth in the County's General Plan. The amount of available urban land in the County is limited, so the proposed WH Combining District would need to establish densities that will encourage the most housing production on the most appropriate sites.

Policy Options

Option 1: Set the minimum base density at 16 units per acre and maximum at 24 units per acre, allowing up to 32 units per acre with a state density bonus (up to 35 percent) and 48 units per acre with a Housing Opportunity (100%) density bonus. This option would be consistent with the densities allowed by the AH (Affordable Housing) Combining Zone. This option would encourage higher-density workforce housing development, but it could prove difficult to develop an ownership project with this density.

Option 2: Set the minimum density workforce housing projects at 12 dwelling units per acre and the maximum at 20 dwelling units per acre, allowing up to 27 units per acre with a state density bonus and up to 40 units per acre with a Housing Opportunity (100%) density bonus. This option would be consistent with the densities allowed by the R3 (High Density Residential) zoning district. Workforce housing developments in this density range would generally be two to four stories.

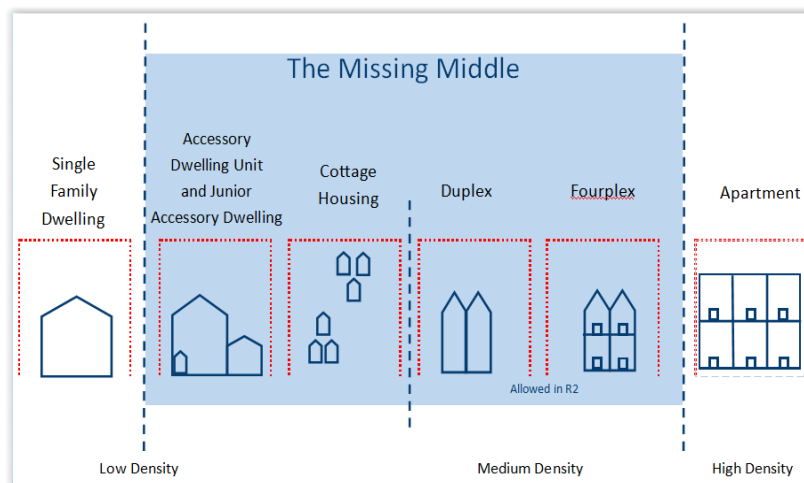
Recommendation

Option 1: Set the minimum density for workforce housing at 16 dwelling units per acre and the maximum density at 24 dwelling units per acre, allowing for the density bonus or Housing Opportunity programs to increase the density up to 48 dwelling units per acre. This option would encourage the development of high-density workforce housing near job and transit centers, encourage affordable units, and maximize the use of urban lands.

PROVISIONS FOR COTTAGE HOUSING DEVELOPMENTS

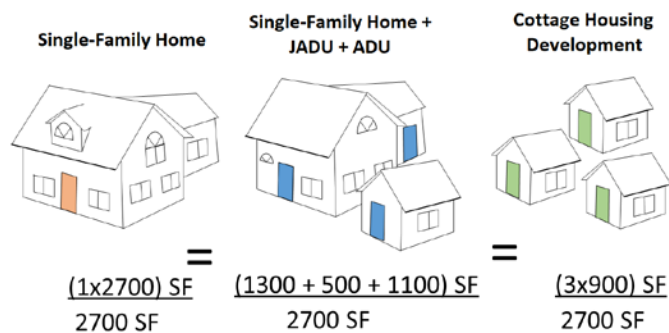
Cottage housing developments can help to fill the need for a range of housing types often referred to as the missing middle. These are housing types that offer smaller units in buildings of a similar bulk, mass, and scale as a single family-home. By remaining smaller than a typical single-family home, they tend to be more affordable to people whose incomes are too high for subsidized affordable housing units, but who are still priced out of the current rental housing market.

Figure 3: Illustration of Missing Middle Housing Types



Source: Permit Sonoma, 2017

Housing development over the latter half of the 20th century trended toward low-density, larger, single-family homes. But smaller clustered housing units have long been an efficient way to utilize lots zoned for low-density development to house similar numbers of people in smaller units. Some of these housing types are already allowed under the County's current regulations: Code changes enacted last year now allow accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs) on the same lot as or within a single-family home, which results in three dwelling units permitted on a low-density residential lot (Figure 4). Duplexes, triplexes, and fourplexes also fill this need and are permitted in the R2 Medium Density Residential zoning district.

Figure 4: Cottage Housing Developments

These code changes propose to allow attached and detached cottage housing developments. Attached cottage housing would allow conversion of an existing single-family home into a multi-unit building, maintaining the bulk, scale, and mass of a single-family home, but allowing multiple households to occupy it (see “internal conversion” in Figure 5, below). Detached cottage housing developments fit the pattern of the “cottage cluster,” shown in Figure 5 below.

Figure 5: Examples of Missing Middle Housing Types

These proposed code amendments to allow cottage housing developments would reintroduce the small-scale clustered or multi-unit housing styles of the early 20th century. Because they blend in with existing single-family neighborhoods, these types of housing units can serve as much needed infill development in already established communities, in a county where available urban land for housing development is limited. Cottage housing developments would be allowed only in Urban Service Areas where sewer service is available and will further the city- and community-centered growth policies set forth in the County’s General Plan.

Attached and detached cottage housing developments would be permitted as follows:

Table 6: Cottage Housing Development Permit Requirements

Housing Type	Design Review with Hearing	Use Permit with Hearing
Detached Cottage Housing Development	Required for all projects	Required for developments with 4 units or more
Attached Cottage Housing Development	Required for 4 units or more	Required for developments with 4 units or more

The proposed Cottage Housing Development ordinance is provided as *Exhibit I*.

LOCATION AND ZONING DESIGNATION FOR COTTAGE HOUSING DEVELOPMENTS

Cottage housing developments are to be designed to blend in with existing development in low- and medium-density residential neighborhoods. In the unincorporated County, these are located in the Low Density Residential (R1) and Medium Density Residential (R2) zoning districts. There are 10,022 parcels zoned R1 and 1,486 parcels zoned R2 within the unincorporated county.

Cottages provided within these developments should match the surrounding low- and medium-density residential areas in terms of mass and scale. Cottage housing developments are already permitted in the R2 district in the form of duplexes, triplexes, and four-plexes, and dwelling groups (proposed to be re-named cottage housing developments). However, because there are so many more R1 zoned parcels than R2 parcels, allowing cottage housing developments in the R1 Zone would provide expanded opportunities for this type of housing and would enable more efficient use of the limited amount of available urban land in the County.

While cottage housing developments within existing neighborhoods can add variety and housing choices, in several single-family areas of the county the Sonoma Complex fires destroyed entire neighborhoods. In these areas, it may not be advisable to allow cottage housing developments until the majority of the neighborhood has been redeveloped in order to prevent a large number of lots being developed with cottages housing developments instead of single-family homes. The Commission should consider whether it would be appropriate to restrict cottage housing developments within the burn areas.

Policy Options

Option 1: Allow cottage housing developments in the Low Density Residential (R1) and Medium Density Residential (R2) zoning district. This option would apply these proposed changes to the greatest number of parcels (11,508).

Option 2: Allow cottage housing developments in the Medium Density Residential (R2) Zone, and allow within the Low Density Residential (R1) Zone only outside of the burn areas. This Option would add a provision to Chapter 40 (Sonoma Complex Fires Disaster Recovery) preventing the construction of cottage housing developments within the burn areas. The prohibition would expire when Chapter 40 expires, which is on December 31, 2019 unless extended. Allow only attached cottage housing developments in R1, but allow detached cottage housing developments in both R1 and R2. This option would eliminate detached cottage housing development potential on 10,022 parcels with R1 zoning, reducing the impact these code changes could have on the County's housing stock, but would allow conversion of existing homes into attached cottage housing on those parcels.

Option 3: Allow detached cottage housing developments in R1, but allow attached cottage housing developments within the R1 only when it is conversion of an existing home (no new attached cottages could be built). Allow both attached and detached cottage housing developments in R2.

Option 3: Do not adopt provisions for either attached or detached cottage housing developments and rely on existing provisions for accessory dwelling units (ADUs), junior accessory dwelling units (JADUs), and the type of missing middle housing already permitted in R2 to provide for this housing type. This option would maintain the current standard of allowing one lot zoned R1 or R2 to accommodate three dwelling units in the form of single-family dwelling, an attached or detached ADU, and an attached JADU, as well as the duplexes, triplexes, four-plexes, and dwelling groups currently permitted in R2.

Recommendation

Option 1. Allowing cottage housing developments (attached and detached) in the R1 and R2 zones would allow this housing type on the greatest number of parcels, allowing it to have a greater impact on the County's housing stock in urban areas.

COTTAGE SIZE

In order to be more affordable, it is essential that cottages are small. Larger housing units fetch higher rents, and cottage housing developments that only allow smaller cottages would increase the number of affordable units in the County. However, if maximum unit sizes are set too small, the size limitations could become another constraint to developers building cottage housing developments. Tiny homes on foundations would be permissible when building codes are met.

The size of units within attached cottages created by converting existing homes is not proposed to be limited; however, more than 3 units would require a use permit.

Policy Options

Option 1: Limit the maximum unit size of a detached cottage to 640 square feet. This option ensures units remain small (between a 500 square foot JADU and a 1,200 square foot ADU) but does not offer much flexibility to developers and may not incentivize the construction of enough units.

Option 2: Limit the maximum cumulative unit size for three detached cottages to be consistent with the average size of a single-family dwelling (2,700 square feet). This option ensures units remain small (an average of 900 square feet) but still provides flexibility to developers.

Option 3: Do not limit the unit size; instead limit the floor area ratio of a detached cottage housing development to 0.35. Both one- and two-story cottages could be allowed under this option. Because the number of units is not prescribed, but a use permit is required for four or more units, the burden of obtaining a use permit will encourage developments to include three or fewer units. This option provides the greatest flexibility, but by not limiting the size of the unit, it would incentivize larger units, not smaller.

Recommendation

Option 3. This option would limit the floor area ratio to ensure that the bulk and mass of the development stays within that allowed in the R1 Zone. The Design Review Committee would ensure

that the homes are of a limited size to ensure that the cumulative scale, bulk and mass are consistent with the average single family home. This option provides the most flexibility while ensuring that cottage housing developments are designed appropriately for the neighborhood and for the size of the individual lot.

APPROPRIATE PARCEL SIZE AND DENSITY

If the cottage sizes are limited as recommended above, a group of three cottages will have impacts similar to a single-family dwelling, accessory dwelling unit, and junior accessory dwelling unit, which is currently allowed by-right within both the R1 and R2 zones with a minimum parcel size of 5,000 square feet. A guide written by The Housing Partnership titled *Cottage Housing in Your Community* cautions that “most jurisdictions measure allowable densities by units-per-acre or by minimum lot sizes. But all units are not created equal, and such measures foster a misperception of cottage housing.” The Housing Partnership encourages communities to think of floor area ratio, population, and cars and traffic when determining density. The small size of cottages in cottage housing developments has typically attracted singles and young or empty nester couples, which do not have the same impacts as a four-person household that could have at least four cars when all members are of driving age. The small cottage sizes encourage lower occupancies, which reduces impacts on neighborhoods.

A common way to calculate the number of cottages that can be permitted on a site is determining a set number of cottages per each single-family dwelling allowed by zoning. The average size of a single-family dwelling in the Low Density Residential (R1) Zoning District is approximately 2,700 square feet. An accessory dwelling unit (ADU) of up to 1,200 square feet and a junior accessory dwelling unit (JADU) of up to 500 square feet of the main house would also be allowed, for a total floor area of 3,900 square feet on a typical 8,000 square foot lot. Although ADUs and JADUs do not count toward density, they are three distinct dwelling units occupied by different households. The proposed cottage housing ordinance would replace the three dwelling units currently allowed in this manner with three smaller units (or more with a use permit).

Policy Options

Option 1: Set a minimum parcel size for cottage housing developments (attached and detached) of 8,000 square feet. Once the minimum parcel size is met, limit the density to one unit per 2,500 square feet. This would allow at least three cottages on the larger parcels. Setting a minimum parcel size ensures development would occur only on larger urban residential parcels, which may reduce impacts on surrounding neighborhoods but would reduce the total number of parcels that could accommodate this type of housing.

Option 2: Do not set a minimum parcel size; limit cottage housing developments to cottage per 2,500 square feet of lot area. This option would allow cottage housing developments on a greater number of parcels, and allow more cottages per parcel, although more than three units will always require a use permit.

Option 3: Set a minimum parcel size of 5,000 square feet (the smallest parcel size on which an ADU can be located) and limit attached missing middle housing to three units per parcel, in keeping with the current zoning regulations that allow one single-family home, one ADU, and one JADU on a single lot.

Recommendation

Option 1: Set a minimum parcel size for cottage housing development (attached and detached) of 8,000 square feet and to one unit per 2,500 square feet. This would allow at least three cottages but would maintain increased compatibility with surrounding neighborhoods by requiring a larger than parcel size.

PRESERVING HOUSING STOCK AND RENTAL HOUSING**PROTECTIONS FOR RENTERS IN MOBILE HOME PARKS**

The County's Zoning Ordinance (Section 26-92-090) contains protections for renters in mobile home parks when an owner of a mobile home park seeks to close the park, convert it to another use, or cease use of the land as a mobile home park. The Code requires a use permit and tenant relocation assistance to allow conversion. However, it does not specify protections for renters in a mobile home park when the owner of the park converts it from a rental park to an ownership park. The Golden State Manufactured-Home Owners League (GSMOL) recommended changes to the Code to extend the use permit requirement to situations where rental parks are converted to ownership, which allows conditions to be placed on the conversion project. The proposed code amendments (shown in *Exhibit K*) make clear that the intent is to protect rental housing, as opposed to mobile home spaces, and requires the park conversion to be consistent with the County's General Plan.

CONDOMINIUM CONVERSIONS

The proposed condominium conversion ordinance would protect renters in an apartment complex when it is proposed to be converted to condominium and ownership use. This is a tool used by many other communities to protect rental housing. Condominium conversions take place when a building currently used for rental housing is subdivided into several individual units that can be sold separately. For example, a developer may buy a four-unit apartment building, convert the apartments to four condominium units, and sell each to a different homebuyer.

Condominium conversion policies have the goals of: (a) protecting the residents when their rental units are converted to condominiums; (b) helping to offset the impact of the reduction in rental housing supply, which can contribute to higher rents in other developments; (c) protecting rental housing stock by not allowing application for condo conversions unless rental vacancy rates exceed five percent. These policies serve both preservation and protection objectives for rental housing.

The proposed condominium conversion ordinance as shown in *Exhibit H* currently exists within the Housing Element of the County General Plan Policy HE-1i. The proposed changes would codify this existing language into the Zoning Code.

OTHER RECOMMENDED CHANGES

In addition to the changes set forth above, other sections of the Zoning Code will need to be amended to implement staff's recommendations. Definitions related to workforce housing and cottage housing developments would be clarified in the definitions section (*Exhibit A*). The Zoning Code would also be amended to clarify the parking requirements for the new types of housing as shown in *Exhibit G* and the Ownership Housing Opportunity requirements as shown in *Exhibit J*.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission hear the staff presentation and:

1. Hold a public hearing,
2. Deliberate on the policy options for each topic in the staff report,
3. Adopt the Negative Declaration, and
4. Adopt resolution recommending zoning code changes to the Board of Supervisors.

The Planning Commission's recommendation and discussion will be forwarded to the Board of Supervisors for consideration at another public hearing this fall.

LIST OF ATTACHMENTS

Planning Commission Resolution

Draft Ordinance, with Exhibits:

Exhibit A: Definitions

Exhibit B: R1 Zoning District

Exhibit C: R2 Zoning District

Exhibit D: R3 Zoning District

Exhibit E: Affordable Housing (AH) Combining District

Exhibit F: Workforce Housing (WH) Combining District

Exhibit G: Required Parking

Exhibit H: Condominium Conversions

Exhibit I: Cottage Housing Developments

Exhibit J: Article 89 – Affordable Housing Program

Exhibit K: Mobile Home Park Conversions

Public Comments Received as of August 23, 2018

Negative Declaration